

City of Wyoming

# Employees Retirement System

GASB Statement Nos. 67 and 68 Accounting and  
Financial Reporting for Pensions

June 30, 2020





August 24, 2020

Board of Trustees  
City of Wyoming Employees Retirement System  
Wyoming, Michigan

Dear Board Members:

This report provides accounting and financial reporting information that is intended to comply with the Governmental Accounting Standards Board (GASB) Statement Nos. 67 and 68 for the City of Wyoming Employees Retirement System. These calculations have been made on a basis that is consistent with our understanding of these Statements.

GASB Statement No. 67 is the accounting standard that applies to the stand-alone financial reports issued by retirement systems. GASB Statement No. 68 establishes accounting and financial reporting for state and local government employers who provide their employees (including former employees) pension benefits through a Trust.

Our calculation of the liability associated with the benefits described in this report was performed for the purpose of providing reporting and disclosure information that satisfies the requirements of GASB Statement Nos. 67 and 68. The calculation of the City's liability for this report may not be applicable for funding purposes of the plan. A calculation of the City's liability for purposes other than satisfying the requirements of GASB Statement Nos. 67 and 68 may produce significantly different results. This report may be provided to parties other than the City of Wyoming Employees Retirement System only in its entirety and only with the permission of the City. GRS is not responsible for unauthorized use of this report.

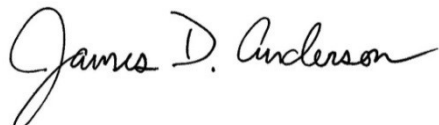
This report is based upon information, furnished to us by the City of Wyoming Employees Retirement System, concerning retirement and ancillary benefits, active members, deferred vested members, retirees and beneficiaries, and financial data. This information was checked for internal consistency, but it was not audited.

This report complements the actuarial valuation report that was provided to the City of Wyoming Employees Retirement System and should be considered in conjunction with that report. Please see the actuarial valuation report as of June 30, 2019 for additional discussion of the nature of actuarial calculations and more information related to participant data, economic and demographic assumptions, and benefit provisions.

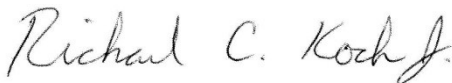
To the best of our knowledge, the information contained within this report is accurate and fairly represents the actuarial position of the City of Wyoming Employees Retirement System. All calculations have been made in conformity with generally accepted actuarial principles and practices as well as with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

James D. Anderson and Richard C. Koch Jr. are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

Respectfully submitted,



James D. Anderson, FSA, EA, FCA, MAAA



Richard C. Koch Jr., ASA, EA, MAAA

JDA/RCK:dj

C0272



Auditor's Note – This information is intended to assist in preparation of the financial statements of the City of Wyoming Employees Retirement System. Financial statements are the responsibility of management, subject to the auditor's review. Please let us know if the auditor recommends any changes.



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# SECTION A

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## EXECUTIVE SUMMARY

# Executive Summary as of June 30, 2020

Actuarial Valuation Date	June 30, 2019
Measurement Date of the Net Pension Liability	June 30, 2020
Employer's Fiscal Year Ending Date (Reporting Date)	June 30, 2020

## Membership (as of valuation date)

Number of	
- Retirees and Beneficiaries	411
- Inactive, Nonretired Members	58
- Active Members	136
- Total	605
Covered Payroll <sup>(1)</sup>	\$ 10,825,148

## Net Pension Liability

Total Pension Liability	\$ 201,632,863
Plan Fiduciary Net Position	178,941,996
Net Pension Liability	\$ 22,690,867
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	88.75%
Net Pension Liability as a Percentage of Covered Payroll	209.61%

## Development of the Single Discount Rate

Single Discount Rate	7.00%
Long-Term Expected Rate of Investment Return	7.00%
Long-Term Municipal Bond Rate <sup>(2)</sup>	2.45%
Last year ending June 30 in the 2021 to 2120 projection period for which projected benefit payments are fully funded	2120

<b>Total Pension Expense</b>	<b>\$ 3,550,357</b>
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## Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 426,612
Changes in assumptions	789,337	-
Net difference between projected and actual earnings on pension plan investments	4,634,323	2,380,839
Total	\$ 5,423,660	\$ 2,807,451

<sup>(1)</sup> The amount provided represents the annual pays for members active on the valuation date and does not necessarily represent Covered Payroll as defined in GASB Statement Nos. 67 and 68.

<sup>(2)</sup> Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2020. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.

# Discussion

## Accounting Standard

For pension plans that are administered through trusts or equivalent arrangements, Governmental Accounting Standards Board (GASB) Statement No. 67 establishes standards of financial reporting for separately issued financial reports and specifies the required approach for measuring the pension liability. Similarly, GASB Statement No. 68 establishes standards for state and local government employers (as well as non-employer contributing entities) to account for and disclose the Net Pension Liability, pension expense, and other information associated with providing retirement benefits to their employees (and former employees) on their basic financial statements.

The following discussion provides a summary of the information that is required to be disclosed under these accounting standards. A number of these disclosure items are provided in this report. However, certain information, such as notes regarding accounting policies and investments, is not included in this report and the retirement system and/or plan sponsor will be responsible for preparing and disclosing that information to comply with these accounting standards.

## Financial Statements

GASB Statement No. 68 requires State or local governments to recognize the Net Pension Liability and the pension expense on their financial statements. The Net Pension Liability is the difference between the Total Pension Liability and the plan's fiduciary net position. In traditional actuarial terms, this is analogous to the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement).

Paragraph 57 of GASB Statement No. 68 states, "Contributions to the pension plan from the employer subsequent to the measurement date of the collective Net Pension Liability and before the end of the employer's reporting period should be reported as a deferred outflow or resources related to pensions." The information contained in this report does not incorporate any contributions made to the Retirement System subsequent to the measurement date of June 30, 2020.

The pension expense recognized each fiscal year is equal to the change in the Net Pension Liability from the beginning of the year to the end of the year, adjusted for deferred recognition of the liability and investment experience.

Pension plans that prepare their own, stand-alone financial statements are required to present two financial statements – a statement of fiduciary net position and a statement of changes in fiduciary net position in accordance with GASB Statement No. 67. The *statement of fiduciary net position* presents the assets and liabilities of the pension plan at the end of the pension plan's reporting period. The *statement of changes in fiduciary net position* presents the additions, such as contributions and investment income, and deductions, such as benefit payments and expenses, and net increase or decrease in the fiduciary net position.



# Discussion (Continued)

## Notes to Financial Statements

GASB Statement No. 68 requires the notes of the employer's financial statements to disclose the total pension expense, the pension plan's liabilities and assets, and deferred outflows and inflows of resources related to pensions.

GASB Statement Nos. 67 and 68 require the notes of the financial statements for the employers and pension plans to include certain additional information. The list of disclosure items should include:

- A description of benefits provided by the plan;
- The type of employees and number of members covered by the pension plan;
- A description of the plan's funding policy, which includes member and employer contribution requirements;
- The pension plan's investment policies;
- The pension plan's fiduciary net position, Net Pension Liability, and the pension plan's fiduciary net position as a percentage of the Total Pension Liability;
- The Net Pension Liability using a discount rate that is 1% higher and 1% lower than used to calculate the Total Pension Liability and Net Pension Liability for financial reporting purposes;
- Significant assumptions and methods used to calculate the Total Pension Liability;
- Inputs to the discount rates; and
- Certain information about mortality assumptions and the dates of experience studies.

Retirement systems that issue stand-alone financial statements are required to disclose additional information in accordance with GASB Statement No. 67. This information includes:

- The composition of the pension plan's Board and the authority under which benefit terms may be amended;
- A description of how fair value is determined;
- Information regarding certain reserves and investments, which include concentrations of investments greater than or equal to 5%, receivables, and insurance contracts excluded from plan assets; and
- Annual money-weighted rate of return.

## Discussion (Continued)

### Required Supplementary Information

GASB Statement No. 67 requires a 10-year fiscal history of:

- Sources of changes in the Net Pension Liability;
- Information about the components of the Net Pension Liability and related ratios, including the pension plan's Fiduciary Net Position as a percentage of the Total Pension Liability, and the Net Pension Liability as a percent of covered-employee payroll; and
- A comparison of the actual employer contributions to the actuarially determined contributions based on the plan's funding policy.

### General Implications of Contribution Allocation Procedure or Funding Policy on Future Expected Plan Contributions and Funded Status

Given the plan's contribution allocation procedure, if all actuarial assumptions are met (including the assumption of the plan earning 7.00% on the actuarial value of assets), then the following outcomes are expected:

1. Employer normal cost dollar amounts will eventually decrease as active member payroll declines due to the closed nature of the plan.
2. Amortization payment dollar amounts will remain level through fiscal year 2040.
3. The unfunded actuarial accrued liability is expected to be paid off at the end of fiscal year 2040.
4. The funded status of the plan will generally increase gradually towards a 100% funded ratio.

This funding policy results in the expectation that the plan's assets will be able to fully pay for promised benefits for 80+ years.

### Timing of the Valuation

An actuarial valuation to determine the Total Pension Liability is required to be performed at least every two years. The Net Pension Liability and pension expense should be measured as of the pension plan's fiscal year end (measurement date) on a date that is within the employer's prior fiscal year. If the actuarial valuation used to determine the Total Pension Liability is not calculated as of the measurement date, the Total Pension Liability is required to be rolled forward from the actuarial valuation date to the measurement date.

The Total Pension Liability shown in this report is based on an actuarial valuation performed as of June 30, 2019 and a measurement date of June 30, 2020. The total pension liability was "rolled-forward" from June 30, 2019 to June 30, 2020 using generally accepted actuarial principles.

## Discussion (Concluded)

### Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects: 1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits); and 2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 2.45% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"); and the resulting Single Discount Rate is 7.00%.

## SECTION B

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### FINANCIAL STATEMENTS

## Pension Expense Under GASB Statement No. 68

### Fiscal Year Ended June 30, 2020

#### A. Expense

1. Service Cost	\$ 1,828,304
2. Interest on the Total Pension Liability	13,901,118
3. Current-Period Benefit Changes	-
4. Employee Contributions (made negative for addition here)	(373,486)
5. Projected Earnings on Plan Investments (made negative for addition here)	(12,671,175)
6. Pension Plan Administrative Expense	56,914
7. Other Changes in Plan Fiduciary Net Position	(58,532)
8. Recognition of Outflow (Inflow) of Resources due to Liabilities	(95,503)
9. Recognition of Outflow (Inflow) of Resources due to Assets	962,717
<b>10. Total Pension Expense</b>	<b>\$ 3,550,357</b>

# Statement of Outflows and Inflows Arising from Current Reporting Period Fiscal Year Ended June 30, 2020

## A. Outflows (Inflows) of Resources Due to Liabilities

1. Difference between expected and actual experience of the Total Pension Liability (gains) or losses	\$ (1,050,496)
2. Assumption changes (gains) or losses	\$ 1,943,675
3. Recognition period for liabilities: Average of the expected remaining service lives of all employees {in years}	1.6838
4. Outflow (Inflow) of resources to be recognized in the current pension expense for the difference between expected and actual experience of the Total Pension Liability	\$ (623,884)
5. Outflow (Inflow) of resources to be recognized in the current pension expense for assumption changes	\$ 1,154,338
6. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Liabilities	<u>\$ 530,454</u>
7. Deferred Outflow (Inflow) of resources to be recognized in future pension expenses for the difference between expected and actual experience of the Total Pension Liability	\$ (426,612)
8. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for assumption changes	\$ 789,337
9. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Liabilities	<u>\$ 362,725</u>

## B. Outflows (Inflows) of Resources Due to Assets

1. Net difference between projected and actual earnings on pension plan investments (gains) or losses	\$ 4,462,905
2. Recognition period for Assets {in years}	5.0000
3. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Assets	\$ 892,581
4. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Assets	\$ 3,570,324

# Statement of Outflows and Inflows Arising from Current and Prior Reporting Periods Fiscal Year Ended June 30, 2020

## A. Outflows and Inflows of Resources Due to Liabilities and Assets to be Recognized in Current Pension Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Due to liabilities	\$ 1,154,338	\$ 1,249,841	\$ (95,503)
2. Due to assets	2,908,838	1,946,121	962,717
<b>3. Total</b>	<b>\$ 4,063,176</b>	<b>\$ 3,195,962</b>	<b>\$ 867,214</b>

## B. Outflows and Inflows of Resources by Source to be Recognized in Current Pension Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Differences between expected and actual experience	\$ -	\$ 1,249,841	\$ (1,249,841)
2. Assumption changes	1,154,338	-	1,154,338
3. Net difference between projected and actual earnings on pension plan investments	2,908,838	1,946,121	962,717
<b>4. Total</b>	<b>\$ 4,063,176</b>	<b>\$ 3,195,962</b>	<b>\$ 867,214</b>

## C. Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
1. Differences between expected and actual experience	\$ -	\$ 426,612	\$ (426,612)
2. Assumption Changes	789,337	-	789,337
3. Net Difference between projected and actual earnings on pension plan investments	4,634,323	2,380,839	2,253,484
<b>4. Total</b>	<b>\$ 5,423,660</b>	<b>\$ 2,807,451</b>	<b>\$ 2,616,209</b>

## D. Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expenses

Year Ending June 30	Net Deferred Outflows of Resources
2021	\$ (336,150)
2022	812,530
2023	1,247,248
2024	892,581
2025	-
Thereafter	-
<b>Total</b>	<b>\$ 2,616,209</b>

# Recognition of Deferred Outflows and Inflows of Resources

## Fiscal Year Ended June 30, 2020

Year Established	Initial Amount	Initial Recognition Period	Current Year Recognition	Remaining Recognition	Remaining Recognition Period
<b>Deferred Outflow (Inflow) Due to Differences Between Expected and Actual Experience on Liabilities</b>					
2016	\$ 1,656,314	2.8447	\$ 0	\$ 0	0.0000
2017	(1,793,035)	2.3040	0	0	0.0000
2018	0	2.1019	0	0	0.0000
2019	(1,353,221)	1.8607	(625,957)	0	0.0000
2020	(1,050,496)	1.6838	(623,884)	(426,612)	0.6838
<b>Total</b>			<b>(1,249,841)</b>	<b>(426,612)</b>	
<b>Deferred Outflow (Inflow) Due to Assumption Changes</b>					
2016	\$ 0	2.8447	\$ 0	\$ 0	0.0000
2017	(3,330,586)	2.3040	0	0	0.0000
2018	0	2.1019	0	0	0.0000
2019	0	1.8607	0	0	0.0000
2020	1,943,675	1.6838	1,154,338	789,337	0.6838
<b>Total</b>			<b>1,154,338</b>	<b>789,337</b>	
<b>Deferred Outflow (Inflow) Due to Differences Between Projected and Actual Earnings on Plan Investments</b>					
2016	\$ 8,307,947	5.0000	\$ 1,661,591	\$ 0	0.0000
2017	(7,557,031)	5.0000	(1,511,406)	(1,511,407)	1.0000
2018	(2,173,577)	5.0000	(434,715)	(869,432)	2.0000
2019	1,773,331	5.0000	354,666	1,063,999	3.0000
2020	4,462,905	5.0000	892,581	3,570,324	4.0000
<b>Total</b>			<b>962,717</b>	<b>2,253,484</b>	

According to Paragraph 33 of GASB Statement No. 68, differences between expected and actual experience and changes in assumptions are recognized in pension expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the measurement period, the expected remaining service lives of all contributing members was 1,019 years. Additionally, the combined plan membership (active employees and inactive employees) was 605. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the measurement period is 1.6838 years.

Additionally, differences between projected and actual earnings on pension plan investments should be recognized in pension expense using a systematic and rational method over a closed five-year period. For this purpose, the deferred outflows and inflows of resources are recognized in the pension expense as a level dollar amount over the closed period identified above.



# Statement of Fiduciary Net Position as of June 30, 2020

## Assets

Cash and Deposits	\$ 2,800,283
Receivables	
Accounts Receivable - Sale of Investments	\$ 133,210
Accrued Interest and Other Dividends	323,162
Contributions	-
Accounts Receivable - Other	(2,237,404)
Total Receivables	<u>\$ (1,781,032)</u>
Investments	
Fixed Income	\$ 45,799,834
Domestic Equities	17,981,751
International Equities	102,024,614
Real Estate	15,636,240
Other	-
Total Investments	<u>\$ 181,442,439</u>
<b>Total Assets</b>	<u><b>\$ 182,461,690</b></u>

## Liabilities

Payables	
Accounts Payable - Purchase of Investments	\$ 2,283,980
Accrued Expenses	-
Accounts Payable - Other	1,235,714
<b>Total Liabilities</b>	<u><b>\$ 3,519,694</b></u>
<b>Net Position Restricted for Pensions</b>	<u><b>\$ 178,941,996</b></u>

# Statement of Changes in Fiduciary Net Position for Fiscal Year Ended June 30, 2020

## Additions

### Contributions

Employer	\$ 3,172,989
Employee	373,486
Other	<u>58,532</u>
Total Contributions	<u>\$ 3,605,007</u>

### Investment Income

Net Appreciation in Fair Value of Investments	\$ 5,219,176
Interest and Dividends	3,504,827
Other Investment Income	35,123
Less Investment Expense	<u>(550,856)</u>
Net Investment Income	<u>\$ 8,208,270</u>

Other	<u>\$ -</u>
<b>Total Additions</b>	<u><b>\$ 11,813,277</b></u>

## Deductions

Benefit Payments, including refunds of Employee Contributions	\$ 11,630,285
Pension Plan Administrative Expense	56,914
Other	<u>-</u>
<b>Total Deductions</b>	<u><b>\$ 11,687,199</b></u>

<b>Net Increase in Net Position</b>	<b>\$ 126,078</b>
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## Net Position Restricted for Pensions

Beginning of Year	<u>\$ 178,815,918</u>
End of Year	<u><u>\$ 178,941,996</u></u>

## SECTION C

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### REQUIRED SUPPLEMENTARY INFORMATION

# Schedule of Changes in Net Pension Liability and Related Ratios

## Current Period

### Fiscal Year Ended June 30, 2020

#### A. Total Pension Liability

1. Service Cost	\$ 1,828,304
2. Interest on the Total Pension Liability	13,901,118
3. Changes of benefit terms	-
4. Difference between expected and actual experience of the Total Pension Liability	(1,050,496)
5. Changes of assumptions	1,943,675
6. Benefit payments, including refunds of employee contributions	(11,630,285)
7. Net change in Total Pension Liability	\$ 4,992,316
8. Total Pension Liability – Beginning	196,640,547
9. Total Pension Liability – Ending	<u><u>\$ 201,632,863</u></u>

#### B. Plan Fiduciary Net Position

1. Contributions – Employer	\$ 3,172,989
2. Contributions – Employee	373,486
3. Net investment income	8,208,270
4. Benefit payments, including refunds of employee contributions	(11,630,285)
5. Pension plan administrative expense	(56,914)
6. Other	58,532
7. Net change in Plan Fiduciary Net Position	\$ 126,078
8. Plan Fiduciary Net Position – Beginning	178,815,918
9. Plan Fiduciary Net Position – Ending	<u><u>\$ 178,941,996</u></u>

#### C. Net Pension Liability

\$ 22,690,867

#### D. Plan Fiduciary Net Position as a percentage of the Total Pension Liability

88.75%

#### E. Covered-Employee Payroll <sup>(1)</sup>

\$ 10,825,148

#### F. Net Pension Liability as a percentage of Covered-Employee Payroll

209.61%

<sup>(1)</sup> The amount provided represents the annual pays for members active on the valuation date and does not necessarily represent Covered Payroll as defined in GASB Statement Nos. 67 and 68.

# Schedule of Changes in Net Pension Liability and Related Ratios Multiyear

## Ultimately 10 Fiscal Years Will Be Displayed

Fiscal year ending June 30,	2020	2019	2018 <sup>(2)</sup>	2017	2016	2015	2014
<b>Total Pension Liability</b>							
Service Cost	\$ 1,828,304	\$ 1,925,003	\$ 1,992,324	\$ 2,105,464	\$ 2,440,062	\$ 2,479,014	\$ 2,272,260
Interest on the Total Pension Liability	13,901,118	13,697,305	13,380,227	13,394,875	12,910,605	11,279,185	11,646,809
Benefit Changes	-	-	-	-	-	(44,181)	(523,942)
Difference between expected and actual experience of the Total Pension Liability	(1,050,496)	(1,353,221)	-	(1,793,035)	1,656,314	(4,021,270)	630,488
Assumption Changes	1,943,675	-	-	(3,330,586)	-	22,369,832	-
Benefit Payments, including refunds of employee contributions	(11,630,285)	(11,188,757)	(10,742,059)	(10,302,308)	(10,017,879)	(9,063,647)	(8,607,231)
<b>Net Change in Total Pension Liability</b>	<b>4,992,316</b>	<b>3,080,330</b>	<b>4,630,492</b>	<b>74,410</b>	<b>6,989,102</b>	<b>22,998,933</b>	<b>5,418,385</b>
<b>Total Pension Liability - Beginning</b>	<b>196,640,547</b>	<b>193,560,217</b>	<b>188,929,725</b>	<b>188,855,315</b>	<b>181,866,213</b>	<b>158,867,280</b>	<b>153,448,895</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 201,632,863</b>	<b>\$ 196,640,547</b>	<b>\$ 193,560,217</b>	<b>\$ 188,929,725</b>	<b>\$ 188,855,315</b>	<b>\$181,866,213</b>	<b>\$158,867,280</b>
<b>Plan Fiduciary Net Position</b>							
Employer Contributions	\$ 3,172,989	\$ 3,618,125	\$ 4,696,432	\$ 4,924,584	\$ 3,949,470	\$ 4,262,117	\$ 4,179,682
Employee Contributions	373,486	397,502	386,110	380,084	260,361	228,734	228,227
Pension Plan Net Investment Income	8,208,270	10,676,457	14,066,430	18,492,932	2,815,481	8,117,781	22,862,601
Benefit Payments, including refunds of employee contributions	(11,630,285)	(11,188,757)	(10,742,059)	(10,302,308)	(10,017,879)	(9,063,647)	(8,607,231)
Pension Plan Administrative Expense	(56,914)	(51,520)	(53,812)	(34,837)	(57,081)	(22,092)	(42,160)
Other	58,532	61,132	107,714	50,913	42,564	(178,457)	(345,650)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>126,078</b>	<b>3,512,939</b>	<b>8,460,815</b>	<b>13,511,368</b>	<b>(3,007,084)</b>	<b>3,344,436</b>	<b>18,275,469</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>178,815,918</b>	<b>175,302,979</b>	<b>166,842,164</b>	<b>153,330,796</b>	<b>156,337,880</b>	<b>152,993,444</b>	<b>134,717,975</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 178,941,996</b>	<b>\$ 178,815,918</b>	<b>\$ 175,302,979</b>	<b>\$ 166,842,164</b>	<b>\$ 153,330,796</b>	<b>\$156,337,880</b>	<b>\$152,993,444</b>
<b>Net Pension Liability - Ending (a) - (b)</b>	<b>22,690,867</b>	<b>17,824,629</b>	<b>18,257,238</b>	<b>22,087,561</b>	<b>35,524,519</b>	<b>25,528,333</b>	<b>5,873,836</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>88.75 %</b>	<b>90.94 %</b>	<b>90.57 %</b>	<b>88.31 %</b>	<b>81.19 %</b>	<b>85.96 %</b>	<b>96.30 %</b>
<b>Covered-Employee Payroll <sup>(1)</sup></b>	<b>\$ 10,825,148</b>	<b>\$ 11,413,503</b>	<b>\$ 11,805,804</b>	<b>\$ 11,805,804</b>	<b>\$ 12,075,663</b>	<b>\$ 14,244,381</b>	<b>\$ 15,749,774</b>
<b>Net Pension Liability as a Percentage of Covered-Employee Payroll</b>	<b>209.61 %</b>	<b>156.17 %</b>	<b>154.65 %</b>	<b>187.09 %</b>	<b>294.18 %</b>	<b>179.22 %</b>	<b>37.29 %</b>

### Notes to Schedule:

<sup>(1)</sup> The amount provided represents the annual pays for members active on the valuation date and does not necessarily represent Covered Payroll as defined in GASB Statement Nos. 67 and 68.

<sup>(2)</sup> Effective with the 2018 measurement, the total pension liability was "rolled-forward" based on the prior year valuation member data using generally accepted actuarial principles.



# Schedule of Net Pension Liability Multiyear

Ultimately 10 Fiscal Years Will Be Displayed

<b>FY Ending June 30,</b>	<b>Total Pension Liability</b>	<b>Plan Net Position</b>	<b>Net Pension Liability</b>	<b>Plan Net Position as a % of Total Pension Liability</b>	<b>Covered Payroll <sup>(1)</sup></b>	<b>Net Pension Liability as a % of Covered Payroll</b>
2014	\$ 158,867,280	\$ 152,993,444	\$ 5,873,836	96.30%	\$ 15,749,774	37.29%
2015	181,866,213	156,337,880	25,528,333	85.96%	14,244,381	179.22%
2016	188,855,315	153,330,796	35,524,519	81.19%	12,075,663	294.18%
2017	188,929,725	166,842,164	22,087,561	88.31%	11,805,804	187.09%
2018 <sup>(2)</sup>	193,560,217	175,302,979	18,257,238	90.57%	11,805,804	154.65%
2019	196,640,547	178,815,918	17,824,629	90.94%	11,413,503	156.17%
2020	201,632,863	178,941,996	22,690,867	88.75%	10,825,148	209.61%

<sup>(1)</sup> The amount provided represents the annual pays for members active on the valuation date and does not necessarily represent Covered Payroll as defined in GASB Statement Nos. 67 and 68.

<sup>(2)</sup> Effective with the 2018 measurement, the total pension liability was "rolled-forward" based on the prior year valuation member data using generally accepted actuarial principles.

# Schedule of Contributions

Ultimately 10 Fiscal Years Will Be Displayed

<b>FY Ending June 30,</b>	<b>Actuarially Determined Contribution</b>	<b>Actual Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll <sup>(1)</sup></b>	<b>Actual Contribution as a % of Covered Payroll</b>
2014	\$ 4,157,285	\$ 4,179,682	\$ (22,397)	\$ 15,749,774	26.54%
2015	4,287,998	4,262,117	25,881	14,244,381	29.92%
2016	3,906,139	3,949,470	(43,331)	12,075,663	32.71%
2017	4,917,556	4,924,584	(7,028)	11,805,804	41.71%
2018 <sup>(2)</sup>	4,628,523	4,696,432	(67,909)	11,805,804	39.78%
2019	3,628,289	3,618,125	10,164	11,413,503	31.70%
2020	3,140,490	3,172,989	(32,499)	10,825,148	29.31%

<sup>(1)</sup> The amount provided represents the annual pays for members active on the valuation date and does not necessarily represent Covered Payroll as defined in GASB Statement Nos. 67 and 68.

<sup>(2)</sup> Effective with the 2018 measurement, the total pension liability was "rolled-forward" based on the prior year valuation member data using generally accepted actuarial principles.

# Notes to Schedule of Contributions

**Valuation Date:**

Notes Actuarially determined contribution amounts for fiscal year 2020 are calculated based upon the results of the June 30, 2018 actuarial valuation.

**Methods and Assumptions Used to Determine Contribution Amounts for the Fiscal Year Ending June 30, 2020:**

Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	21 years
Asset Valuation Method	5-Year smoothed market
Inflation	3.5%
Salary Increases	3.5% to 7.3%, including 3.5% wage inflation
Investment Rate of Return	7.25%
Retirement Age	Age-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2015 valuation.
Mortality	RP-2014 Healthy Annuitant Mortality Table projected to 2020 using the MP-2014 mortality improvement scale; the mortality tables for disabled lives to the RP-2014 Disabled Retirees projected to 2020 using the MP-2014 mortality improvement scale; and the mortality tables for current active employees to the RP-2014 Mortality Tables for Employees projected to 2020 using the MP-2014 mortality improvement scale.

**Other Information:**

Cost-of-Living Adjustment Annual increase for those eligible is assumed to be 1.1% compounded annually.



## Schedule of Investment Returns

Ultimately 10 Fiscal Years Will Be Displayed

<b>FY Ending June 30,</b>	<b>Annual Return</b>
2014	16.92 %
2015	5.23 %
2016	1.79 %
2017	12.26 %
2018	8.60 %
2019	6.12 %
2020	4.69 %

## SECTION D

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### SCHEDULES BY EMPLOYER

## Schedule of Employer Allocations of Net Pension Liability (Including Sensitivity Analysis)

Employer	FY 2020 Employer Contributions	Proportionate Share <sup>(1)</sup>	Net Pension Liability		
			1% Decrease 6.00%	Current Single Discount Rate 7.00%	1% Increase 8.00%
General	\$ 607,377	19.14210859%	\$ 8,718,509	\$ 4,343,510	\$ 658,259
Other Funds A	494,945	15.59869889%	7,104,619	3,539,480	536,408
Police	1,129,890	35.60964126%	16,218,849	8,080,136	1,224,544
Fire	308,183	9.71270307%	4,423,770	2,203,897	334,000
Other Funds B	632,594	19.93684819%	9,080,483	4,523,844	685,588
<b>Total<sup>(2)</sup></b>	<b>\$ 3,172,989</b>	<b>100.00000000%</b>	<b>\$ 45,546,230</b>	<b>\$ 22,690,867</b>	<b>\$ 3,438,799</b>

<sup>(1)</sup> The Plan's auditor has identified the Plan as a single employer Plan. Given that the Plan has component units, GASB Statement No. 68, paragraph 18, requires that stand-alone financial statements for each government "...account for and report its participation in the single-employer or agent pension plan as if it was a cost-sharing employer and should apply the requirements of paragraphs 48-82." The proportionate shares determined above have been made on the basis of actual FY 2020 employer contributions and are in accordance with paragraph 49 of GASB Statement No. 68.

<sup>(2)</sup> Employer-level numbers may not add to collective-development numbers due to rounding.

## Schedule of Pension Amounts by Employer

	General	Other Funds A	Police	Fire	Other Funds B	Total <sup>(1)</sup>
<b>Net Pension Liability</b>	\$ 4,343,510	\$ 3,539,480	\$ 8,080,136	\$ 2,203,897	\$ 4,523,844	\$ 22,690,867
<b>Proportionate Share</b>	19.14210859%	15.59869889%	35.60964126%	9.71270307%	19.93684819%	100.00000000%
<b>Deferred Outflows of Resources</b>						
1. Differences Between Expected and Actual Experience	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	431,364	351,514	802,458	218,874	449,274	2,253,484
3. Changes of Assumptions	151,096	123,126	281,080	76,666	157,369	789,337
4. Changes in Proportion and Differences Between Employer Contributions and Share of Contributions	95,565	-	129,396	-	46,893	271,854
5. Total Deferred Outflows of Resources	678,025	474,640	1,212,934	295,540	653,536	3,314,675
<b>Deferred Inflows of Resources</b>						
1. Differences Between Expected and Actual Experience	\$ (81,663)	\$ (66,546)	\$ (151,915)	\$ (41,436)	\$ (85,053)	\$ (426,613)
2. Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	-	-	-	-	-
3. Changes of Assumptions	-	-	-	-	-	-
4. Changes in Proportion and Differences Between Employer Contributions and Share of Contributions	-	(251,155)	-	(20,699)	-	(271,854)
5. Total Deferred Inflows of Resources	(81,663)	(317,701)	(151,915)	(62,135)	(85,053)	(698,467)
<b>Pension Expense</b>						
1. Proportionate Share of Plan Pension Expense	\$ 679,613	\$ 553,809	\$ 1,264,269	\$ 344,836	\$ 707,829	\$ 3,550,356
2. Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	(610,235)	(219,787)	529,527	113,208	187,288	1
3. Total Employer Pension Expense	69,378	334,022	1,793,796	458,044	895,117	3,550,357

<sup>(1)</sup> Employer-level numbers may not add to collective-development numbers due to rounding.



# Schedule of Deferred Resources by Employer by Year

Schedule of Deferred (Inflows) and Outflows				
Employer	2020	2021	2022	2023
General	\$ 31,219	\$ 155,535	\$ 238,750	\$ 170,858
Other Funds A	(303,590)	126,744	194,554	139,231
Police	9,694	289,339	444,141	317,845
Fire	(53,348)	78,919	121,141	86,693
Other Funds B	(20,125)	161,993	248,662	177,953
<b>Total <sup>(1)</sup></b>	<b>\$ (336,150)</b>	<b>\$ 812,530</b>	<b>\$ 1,247,248</b>	<b>\$ 892,580</b>

<sup>(1)</sup> Employer-level numbers may not add to collective-development numbers due to rounding.

## SECTION E

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### NOTES TO FINANCIAL STATEMENTS

## Long-Term Expected Return on Plan Assets

The assumed rate of investment return was adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary(s). Additional information about the assumed rate of investment return is included in our actuarial valuation report as of June 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2020, the best estimates are summarized in the following table:

### Asset Allocation

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Large Cap	35.00%	6.50%
US Small Cap	9.00%	6.00%
International equity	16.00%	6.00%
Real estate	7.00%	4.00%
Fixed income	33.00%	1.35%
<b>Total</b>	<b>100.00%</b>	

The best estimate real rates of return in the above table were supplied by the City of Wyoming. The real rates of return above are based on an inflation assumption of 2.50%.

Gabriel, Roeder, Smith & Company does not provide investment advice.

## Single Discount Rate

A Single Discount Rate of 7.00% was used to measure the Total Pension Liability. This Single Discount Rate was based on the expected rate of return on pension plan investments of 7.00%. Based on the System's current funding policy and the City's practice of contributing 100% of the recommended contribution, it is the opinion of the actuaries that the Plan Fiduciary Net Position is sufficient to make all future projected benefit payments, assuming all other assumptions are realized. Therefore, the Single Discount Rate would equal the long-term expected rate of return of 7.00%.

Regarding the sensitivity of the Net Pension Liability to changes in the Single Discount Rate, the following presents the plan's Net pension Liability, calculated using a Single Discount Rate of 7.00%, as well as what the plan's Net Pension Liability would be if it were calculated using a Single Discount Rate that is 1-percentage-point lower or 1-percentage-point higher:

### Sensitivity of Net Pension Liability to the Single Discount Rate Assumption

	Current Single Discount		
	1% Decrease	Rate Assumption	1% Increase
	6.00%	7.00%	8.00%
<b>Total Pension Liability</b>	\$ 224,488,225	\$ 201,632,863	\$ 182,380,796
<b>Plan Fiduciary Net Position</b>	178,941,996	178,941,996	178,941,996
<b>Net Pension Liability/(Asset)</b>	\$ 45,546,229	\$ 22,690,867	\$ 3,438,800



## Disclosure Regarding the Deferred Retirement Option Program (DROP) for Police Officers

<b>Year Ended June 30,</b>	<b>Balance at Beginning of Year</b>	<b>Credits</b>	<b>Interest</b>	<b>Distributions</b>	<b>Adjustments</b>	<b>Balance at End of Year</b>
2014	\$ 100,395	\$ 98,453	\$ 4,013	\$ -	\$ -	\$ 202,861
2015	202,861	78,233	-	(281,094)	-	-
2016	-	42,564	-	-	-	42,564
2017	42,564	50,913	1,703	-	-	95,180
2018	95,180	107,714	3,807	-	-	206,701
2019	206,701	61,132	2,272	(152,501)	-	117,604
2020	117,604	58,532	-	-	-	176,136

The reconciliation of the DROP reserve was provided by the City.

## Summary of Population Statistics

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	411
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	58
Active Plan Members	<u>136</u>
Total Plan Members	605

## SECTION F

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### SUMMARY OF BENEFITS

# Summary of Benefit Provisions Evaluated or Considered

## Regular Retirement (no reduction factor for age):

### **Eligibility –**

General: *Other General members* age 60 with 10 or more years of credited service.

*Administrative and Contract members* age 60 with 5 or more years of credited service.

*Emergency Communications Operators members* age 55 with 10 or more years of credited service.

Police: Age 50 with 10 or more years of credited service.

Fire: Age 50 with 10 or more years of credited service.

### **Annual Amount –**

General: *Other General members* 2.35% of FAS times credited service (1.95% of FAS beginning June 30, 2016 if they elect not to contribute 2% of base wages).

*Administrative and Contract members* 2.35% of FAS times credited service (2.15% of FAS beginning July 1, 2016 and 1.95% of FAS beginning July 1, 2018 if they elect not to contribute 1% of base wages beginning July 1, 2016 and 2% of base wages beginning July 1, 2018).

*Emergency Communications Operators members* 2.35% of FAS times credited service.

Police: *Police Command members* 2.70% of FAS times credited service up to 30 years.

*Police Patrol members* 2.70% of FAS times credited service up to 30 years.

Fire: 2.70% of FAS times credited service up to 30 years.

**Final Average Salary (FAS)** – Average of annual compensations for the period of 3 consecutive years producing the highest average and contained within the last 5 years immediately preceding retirement. Effective July 1, 2016, FAS for 'Other General Members' no longer includes overtime.

## DROP

**Eligibility** – Police Command meeting regular retirement eligibility.

**DROP Account** – Monthly additions of 100% of regular retirement benefit under option elected at time of DROP accumulated at 4% annual interest. Maximum period of accumulation is 3 years.

**Distributions** – Lump sum payment of DROP account at time of exit from employment plus direct payment of future monthly retirement benefits under option elected at time of DROP.

# Summary of Benefit Provisions Evaluated or Considered (Continued)

## Early Retirement (age reduction factor used):

### **Eligibility –**

General: *Other General members* age 55 with 10 or more years of credited service.

*Administrative and Contract members* age 55 with 5 or more years of credited service.

**Annual Amount** – Computed in the same manner as regular retirement amount, but for *Other General members* reduced by .002 for each month age at early retirement precedes regular retirement age. For retirements of *Other General members* on or after June 30, 2016 the reduction shall be .001 if the member has 25 or more years of service. For retirements of *Administrative and Contract members* on or after July 1, 2007, there will be no reduction factor unless they became a member of the unit (transferred from another unit) after July 1, 2007 and have less than 25 years of service.

## Deferred Retirement (vested benefit):

### **Eligibility –**

General: *Other General members* any age with 10 or more years of credited service.

*Administrative and Contract members* any age with 5 or more years of credited service.

*Emergency Communications Operators members* any age with 10 or more years of credited service.

Police: Any age with 10 or more years of credited service.

Fire: Any age with 10 or more years of credited service.

**Annual Amount** – Accrued regular retirement amount based on credited service and FAS at time of termination, payable beginning at age 60 for General, age 50 for Police and age 50 for Fire.

## Duty Disability Retirement:

**Eligibility** – Total and permanent disability incurred in line of duty with the city for which worker's compensation is being paid.

**Annual Amount** – Computed in same manner as the regular retirement amount based on credited service and FAS at time of termination. Minimum service credit used is 10 years.

Police and Fire: Normal retirement benefit calculation will be re-adjusted at normal retirement age (50) to include the time the member was receiving disability benefit and will be based on the monthly average the member would have earned during the 36 months preceding normal retirement age if the member was actively employed.

# Summary of Benefit Provisions Evaluated or Considered (Continued)

## Non-Duty Disability Retirement:

General: *Other General members* total and permanent disability after 10 or more years of credited service.

*Administrative and Contract members* total and permanent disability after 5 or more years of credited service.

*Emergency Communications Operators members* total and permanent disability after 10 or more years of credited service. This unit does not have any active members and this no longer applies.

Police: Total and permanent disability after 10 or more years of credited service.

Fire: Total and permanent disability after 10 or more years of credited service.

**Annual Amount** - Computed in same manner as the regular retirement amount based on credited service and FAS at time of termination.

## Duty Death Before Retirement:

**Eligibility** - Death in line of duty with the city for which worker's compensation is being paid.

**Annual Amount** - Refund of member's accumulated contributions. Amount to surviving spouse and children computed in same manner as the regular retirement amount based on credited service and FAS at time of death with a minimum of 25% of member's FAS. Additional amount to spouse continues to remarriage or death. Additional amount to children continues to earlier of marriage or attainment of age 18 years.

## Non-Duty Death Before Retirement:

**Eligibility** - Any age with 10 or more years of credited service, 5 or more years of credited service for Administrative members.

**Annual Amount** - Option A actuarial equivalent of regular retirement amount based on credited service and FAS at time of death for spouse or qualified dependent. Option C for non-spouse benefit, in absence of spouse or with agreement of spouse.

# Summary of Benefit Provisions Evaluated or Considered (Concluded)

## Member Contributions:

General:	<i>Other General members</i> 2% of base wages to keep 2.35% multiplier (effective June 30, 2016).	
	<i>Administrative and Contract members</i> 1% of base wages (effective June 30, 2016) and 2% of base wages (effective June 30, 2018) to keep 2.35% multiplier.	
Police:	<i>Police Command</i>	4.59% of gross pay effective July 1, 2015 5.59% of gross pay effective July 1, 2016.
	<i>Police Patrol</i>	4.59% of gross pay effective July 1, 2015 5.59% of gross pay effective July 1, 2016.
Fire:	4.50% of gross pay effective January 1, 2016 5.00% of gross pay effective July 1, 2016 6.00% of gross pay effective July 1, 2017.	

**City Contributions:** Actuarially determined amounts which are sufficient to cover both: 1) normal costs of the plan; and 2) financing of unfunded actuarial accrued liabilities over a selected period of future years.

**Automatic Post-Retirement Adjustments:** Annual increase for Police Command members (at least 60 years of age who retire after July 1, 1992 and on or before July 1, 2008) and Administrative members equal to 40% of the average annual increase in CPI, except in 2007 when contract language specified no increase. Increase is limited to 5% per year.

**Defined Contribution Plan:** The Defined Benefit plan is closed to new hires. New members are automatically enrolled in the Defined Contribution plan.

## SECTION G

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### **ACTUARIAL COST METHOD AND ACTUARIAL ASSUMPTIONS**



## Actuarial Cost Methods

**Actuarial Cost Method** - Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using an **Individual Entry-Age Actuarial Cost Method** having the following characteristics:

- (i) The annual normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement; and
- (ii) Each annual normal cost is a constant percentage of the member's year by year projected covered pay.

Actuarial gains/(losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability.

## Actuarial Assumptions Used for the Valuation

Assumptions were reviewed and updated based on the 2015-2019 Experience Study, which includes the rationale for these assumptions.

**The rate of investment return (an economic assumption)** used was 7.00% a year, compounded annually. This assumption will first be used for the June 30, 2020 valuation. The assumption consists of 3.75% for assuming maturity and principal risks (real return) and 3.25% in recognition of wage inflation. This assumption is used to discount the value of future payments.

**The rate of price inflation.** A rate of price inflation of 2.50% is consistent with our economic assumptions in this report.

**The rates of salary increase (an economic assumption)** used are in accordance with the following graded table. These assumptions will first be used for the June 30, 2020 valuation. The assumption consists of 3.25% in recognition of wage inflation and a graded allowance for promotion and longevity.

The assumption is used to project current salaries to those upon which pension amounts will be based.

Sample Ages	Present Salary Resulting in Salary of \$1,000		Percent Increase in Salary During Next Year	
	At Age 65 General*	At Age 60 Police-Fire	General*	Police-Fire
20	\$ 109	\$ 180	7.1 %	6.3 %
25	152	244	6.4	6.3
30	205	328	5.9	5.9
35	272	426	5.6	4.4
40	355	513	5.4	3.5
45	458	608	4.9	3.5
50	577	720	4.4	3.5
55	709	850	3.9	3.4
60	850	1,000	3.4	3.3
65	1,000	---	3.3	3.3

\* Includes General, Other Funds A, and Other Funds B members.

# Actuarial Assumptions Used for the Valuation

*The mortality table (a risk assumption):*

## General

- **Healthy Pre-Retirement:** The Pub-2010 Amount-Weighted, General, Employee, Male and Female tables, a base year of 2010 and future mortality improvements projected using scale MP-2019.
- **Healthy Post-Retirement:** The Pub-2010 Amount-Weighted, General, Healthy Retiree, Male and Female tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019.
- **Disability Retirement:** The Pub-2010 Amount-Weighted, General, Disabled Retiree, Male and Female, with a base year of 2010 and future mortality improvements projected using scale MP-2019.

Sample Age Now	General					
	Pre-Retirement Future Life		Healthy Post-Retirement Future Life		Disabled Retirement Future Life	
	Expectancy (Years)*		Expectancy (Years)*		Expectancy (Years)*	
	Men	Women	Men	Women	Men	Women
50	39.33	41.54	35.45	38.42	25.86	28.53
55	34.28	36.39	30.55	33.44	22.40	25.11
60	29.34	31.33	25.85	28.58	19.35	21.99
65	24.55	26.35	21.37	23.85	16.52	18.82
70	19.87	21.47	17.11	19.29	13.74	15.48
75	15.28	16.70	13.15	15.02	10.99	12.21
80	10.83	12.11	9.68	11.21	8.44	9.32

\* Based on retirements in 2019. Retirements in future years will reflect improvements in life expectancy.

## Police/Fire

- **Healthy Pre-Retirement:** The Pub-2010 Amount-Weighted, Safety, Employee, Male and Female tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019.
- **Healthy Post-Retirement:** The Pub-2010 Amount-Weighted, Safety, Healthy Retiree, Male and Female tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019.
- **Disability Retirement:** The Pub-2010 Amount-Weighted, Safety, Disabled Retiree, Male and Female, with a base year of 2010 and future mortality improvements projected using scale MP-2019.

Sample Age Now	Public Safety					
	Pre-Retirement Future Life		Healthy Post-Retirement Future Life		Disabled Retirement Future Life	
	Expectancy (Years)*		Expectancy (Years)*		Expectancy (Years)*	
	Men	Women	Men	Women	Men	Women
50	38.66	41.18	35.50	37.50	34.03	36.13
55	33.53	36.03	30.43	32.38	29.16	31.26
60	28.50	30.95	25.55	27.50	24.50	26.69
65	23.61	25.92	20.96	22.86	20.17	22.38
70	18.87	20.95	16.67	18.46	16.14	18.25
75	14.35	16.16	12.74	14.37	12.41	14.33
80	10.15	11.67	9.32	10.78	9.19	10.78

\* Based on retirements in 2019. Retirements in future years will reflect improvements in life expectancy.

## Actuarial Assumptions Used for the Valuation

**The rates of retirement (a risk assumption)** used to measure the probability of eligible members retiring during the year following attainment of the indicated age were as follows:

Age	Number Retiring Per 100 Eligible	
	General*	Police/Fire
50		27.0
51		18.0
52		13.5
53		13.5
54		13.5
55	20	9.0
56	10	9.0
57	10	13.5
58	10	22.5
59	10	27.0
60	30	100.0
61	20	100.0
62	30	100.0
63	20	100.0
64	20	100.0
65	30	100.0
66	30	100.0
67	40	100.0
68	50	100.0
69	60	100.0
70	100	100.0

*\* Includes General, Other Funds A, and Other Funds B members.*

The General rates were first used for the June 30, 2015 valuation; Police and Fire rates will first be used for the June 30, 2020 valuation.

## Actuarial Assumptions Used for the Valuation

**Rates of separation from active membership (a risk assumption)** were as follows: (rates do not apply to members eligible to retire and do not include separation on account of death or disability). This assumption measures the probabilities of members remaining in employment.

Sample Ages	Years of Service	Number Separating Within Next Year (Per 100 Members)	
		General*	Police/Fire
ALL	0	15.00	8.00
	1	10.00	6.00
	2	8.00	4.50
	3	7.00	3.00
	4	6.00	2.00
25	5 & Over	6.00	3.00
30		5.50	2.50
35		4.50	1.50
40		1.75	0.50
45		1.00	0.50
50		1.00	0.50
55		1.00	0.50
60		1.00	0.50
65		1.00	0.50

\* Includes General, Other Funds A, and Other Funds B members.

The rates for General and Police/Fire will first be used for the June 30, 2020 valuation.

**Rates of disability (a risk assumption)** measure the probabilities of active members retiring with a disability benefit.

Sample Ages	% of Active Members Becoming Disabled Within Next Year	
	General *	Police/Fire
20	0.15 %	0.12 %
25	0.18	0.18
30	0.20	0.30
35	0.29	0.36
40	0.42	0.84
45	0.65	0.96
50	1.05	1.14
55	1.84	1.32
60	3.06	1.44

\* Includes General, Other Funds A, and Other Funds B members.

For General members, all disabilities were assumed to be non-duty disabilities. For Police members, 20% of disabilities were assumed to be duty-related and 80% were assumed to be ordinary disabilities. For Fire members, 50% of disabilities were assumed to be duty-related and 50% were assumed to be ordinary disabilities. Rates for General were revised June 30, 2001 and Police/Fire will be used effective June 30, 2020.

## Miscellaneous and Technical Assumptions

<b>Benefit Service:</b>	Exact fractional service is used to determine the amount of benefit payable.
<b>Cost-of-Living Adjustment:</b>	Annual increase for those eligible assumed to be 1.0% annually beginning with the June 30, 2020 valuation.
<b>Decrement Operation:</b>	Disability and mortality decrements do not operate during the first 5 years of service. Disability and withdrawal do not operate during retirement eligibility.
<b>Decrement Relativity:</b>	Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects.
<b>Decrement Timing:</b>	Decrements of all types are assumed to occur mid-year.
<b>Eligibility Testing:</b>	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
<b>Marriage Assumption:</b>	100% of males and 100% of females are assumed to be married for purposes of death-in-service benefits.
<b>Normal Form of Benefit:</b>	The assumed normal form of benefit is the straight life form.
<b>Pay Increase Timing:</b>	Beginning of (Fiscal) year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.

## SECTION H

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### **CALCULATION OF THE SINGLE DISCOUNT RATE**

## Calculation of the Single Discount Rate

GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a “risk-free” rate is required, as described in the following paragraph.

The *Single Discount Rate* (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects: (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits); and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 2.45% and the resulting SDR is 7.00%.

The tables in this section provide background for the development of the Single Discount Rate.

The **Projection of Contributions** table shows the development of expected contributions in future years. Normal Cost contributions for future hires are not included (nor are their liabilities).

The **Projection of Plan Fiduciary Net Position** table shows the development of expected asset levels in future years.

The **Present Values of Projected Benefit Payments** table shows the development of the Single Discount Rate (SDR). It breaks down the benefit payments into present values for funded and unfunded portions and shows the equivalent total at the SDR.

The projections in this report are strictly for the purpose of determining the GASB single discount rate and are different from a funding projection for the ongoing plan.



# Single Discount Rate Development

## Projection of Contributions

Year	Projected Payroll for Current Employees	Projected Contributions from Current Employees	Projected Service Cost and Expense Contributions	Projected UAL Contributions	Projected Total Contributions
1	\$ 10,285,246	\$ 371,539	\$ 1,374,040	\$ 1,662,159	\$ 3,407,738
2	9,797,622	355,160	1,338,087	1,808,092	3,501,339
3	9,190,038	333,210	1,248,753	1,895,398	3,477,361
4	8,517,284	307,863	1,151,470	2,051,398	3,510,731
5	7,844,885	283,714	1,053,948	2,177,276	3,514,939
6	7,124,237	258,608	950,876	2,177,276	3,386,760
7	6,352,263	229,758	843,430	2,177,276	3,250,464
8	5,585,249	199,464	736,103	2,177,277	3,112,844
9	4,884,816	171,576	638,416	2,177,276	2,987,269
10	4,255,152	147,609	552,039	2,177,276	2,876,925
11	3,670,531	126,487	472,095	2,177,277	2,775,859
12	3,089,625	105,749	393,571	2,177,275	2,676,595
13	2,540,922	85,729	320,718	2,177,277	2,583,725
14	2,078,085	68,313	260,408	2,177,275	2,505,996
15	1,711,640	55,328	213,209	2,177,275	2,445,812
16	1,368,389	42,770	169,188	2,177,276	2,389,234
17	1,033,075	30,052	126,183	2,177,278	2,333,513
18	759,781	20,518	91,297	2,177,277	2,289,092
19	570,350	14,671	67,451	2,177,275	2,259,398
20	439,404	11,272	51,859	2,177,275	2,240,406
21	335,125	8,500	39,471	-	47,971
22	254,402	6,226	29,930	-	36,156
23	190,489	4,702	22,435	-	27,137
24	131,341	3,021	15,305	-	18,326
25	84,637	1,693	9,714	-	11,407
26	56,676	1,134	6,493	-	7,626
27	38,304	766	4,412	-	5,178
28	24,639	493	2,864	-	3,357
29	15,439	309	1,835	-	2,144
30	9,035	181	1,092	-	1,272
31	4,584	92	569	-	660
32	2,192	44	268	-	312
33	647	13	80	-	93
34	-	-	-	-	-
35	-	-	-	-	-
36	-	-	-	-	-
37	-	-	-	-	-
38	-	-	-	-	-
39	-	-	-	-	-
40	-	-	-	-	-
41	-	-	-	-	-
42	-	-	-	-	-
43	-	-	-	-	-
44	-	-	-	-	-
45	-	-	-	-	-
46	-	-	-	-	-
47	-	-	-	-	-
48	-	-	-	-	-
49	-	-	-	-	-
50	-	-	-	-	-

The projections in this report are strictly for the purpose of determining the GASB single discount rate and are different from a funding projection for the ongoing plan.

## Single Discount Rate Development Projection of Contributions (Concluded)

Year	Projected Payroll for Current Employees	Projected Contributions from Current Employees	Projected Service Cost and Expense Contributions	Projected UAL Contributions	Projected Total Contributions
51	\$ -	\$ -	\$ -	\$ -	\$ -
52	-	-	-	-	-
53	-	-	-	-	-
54	-	-	-	-	-
55	-	-	-	-	-
56	-	-	-	-	-
57	-	-	-	-	-
58	-	-	-	-	-
59	-	-	-	-	-
60	-	-	-	-	-
61	-	-	-	-	-
62	-	-	-	-	-
63	-	-	-	-	-
64	-	-	-	-	-
65	-	-	-	-	-
66	-	-	-	-	-
67	-	-	-	-	-
68	-	-	-	-	-
69	-	-	-	-	-
70	-	-	-	-	-
71	-	-	-	-	-
72	-	-	-	-	-
73	-	-	-	-	-
74	-	-	-	-	-
75	-	-	-	-	-
76	-	-	-	-	-
77	-	-	-	-	-
78	-	-	-	-	-
79	-	-	-	-	-
80	-	-	-	-	-
81	-	-	-	-	-
82	-	-	-	-	-
83	-	-	-	-	-
84	-	-	-	-	-
85	-	-	-	-	-
86	-	-	-	-	-
87	-	-	-	-	-
88	-	-	-	-	-
89	-	-	-	-	-
90	-	-	-	-	-
91	-	-	-	-	-
92	-	-	-	-	-
93	-	-	-	-	-
94	-	-	-	-	-
95	-	-	-	-	-
96	-	-	-	-	-
97	-	-	-	-	-
98	-	-	-	-	-
99	-	-	-	-	-
100	-	-	-	-	-

The projections in this report are strictly for the purpose of determining the GASB single discount rate and are different from a funding projection for the ongoing plan.

# Single Discount Rate Development

## Projection of Plan Fiduciary Net Position

Year		Projected Beginning Plan Net Position		Projected Total Contributions		Projected Benefit Payments		Projected Investment Earnings at 7.00%		Projected Ending Plan Net Position
		(a)		(b)		(c)		(d)		(e)=(a)+(b)-(c)+(d)
1	\$	178,941,996	\$	3,407,738	\$	12,176,023	\$	12,224,240	\$	182,397,951
2		182,397,951		3,501,339		12,638,398		12,453,468		185,714,361
3		185,714,361		3,477,361		13,148,376		12,667,245		188,710,590
4		188,710,590		3,510,731		13,738,391		12,857,828		191,340,757
5		191,340,757		3,514,939		14,402,217		13,019,243		193,472,721
6		193,472,721		3,386,760		15,015,513		13,142,968		194,986,937
7		194,986,937		3,250,464		15,653,571		13,222,319		195,806,148
8		195,806,148		3,112,844		16,463,862		13,247,048		195,702,179
9		195,702,179		2,987,269		16,897,549		13,220,527		195,012,426
10		195,012,426		2,876,925		17,392,847		13,151,405		193,647,909
11		193,647,909		2,775,859		17,631,247		13,044,209		191,836,731
12		191,836,731		2,676,595		18,018,429		12,900,689		189,395,585
13		189,395,585		2,583,725		18,268,000		12,718,026		186,429,336
14		186,429,336		2,505,996		18,400,042		12,503,170		183,038,460
15		183,038,460		2,445,812		18,449,066		12,262,052		179,297,257
16		179,297,257		2,389,234		18,452,172		11,998,114		175,232,434
17		175,232,434		2,333,513		18,373,848		11,714,354		170,906,453
18		170,906,453		2,289,092		18,165,234		11,417,185		166,447,495
19		166,447,495		2,259,398		17,951,802		11,111,380		161,866,471
20		161,866,471		2,240,406		17,668,380		10,799,807		157,238,304
21		157,238,304		47,971		17,335,588		10,411,848		150,362,535
22		150,362,535		36,156		16,949,309		9,943,429		143,392,811
23		143,392,811		27,137		16,529,183		9,469,694		136,360,459
24		136,360,459		18,326		16,080,132		8,992,577		129,291,230
25		129,291,230		11,407		15,593,486		8,514,237		122,223,388
26		122,223,388		7,626		15,071,086		8,037,333		115,197,261
27		115,197,261		5,178		14,522,164		7,564,307		108,244,581
28		108,244,581		3,357		13,953,478		7,097,124		101,391,585
29		101,391,585		2,144		13,367,895		6,637,522		94,663,356
30		94,663,356		1,272		12,770,010		6,187,088		88,081,707
31		88,081,707		660		12,163,012		5,747,237		81,666,591
32		81,666,591		312		11,549,109		5,319,290		75,437,084
33		75,437,084		93		10,931,696		4,904,461		69,409,942
34		69,409,942		-		10,312,731		4,503,855		63,601,067
35		63,601,067		-		9,694,635		4,118,501		58,024,933
36		58,024,933		-		9,080,225		3,749,313		52,694,020
37		52,694,020		-		8,471,597		3,397,090		47,619,513
38		47,619,513		-		7,870,747		3,062,549		42,811,316
39		42,811,316		-		7,279,587		2,746,316		38,278,045
40		38,278,045		-		6,700,093		2,448,926		34,026,878
41		34,026,878		-		6,134,331		2,170,811		30,063,359
42		30,063,359		-		5,584,594		1,912,280		26,391,044
43		26,391,044		-		5,053,391		1,673,496		23,011,149
44		23,011,149		-		4,543,248		1,454,456		19,922,357
45		19,922,357		-		4,056,720		1,254,981		17,120,619
46		17,120,619		-		3,596,163		1,074,706		14,599,162
47		14,599,162		-		3,163,546		913,090		12,348,705
48		12,348,705		-		2,760,527		769,425		10,357,604
49		10,357,604		-		2,388,486		642,849		8,611,967
50		8,611,967		-		2,048,365		532,357		7,095,959

The projections in this report are strictly for the purpose of determining the GASB single discount rate and are different from a funding projection for the ongoing plan.



# Single Discount Rate Development

## Projection of Plan Fiduciary Net Position (Concluded)

Year	Projected Beginning Plan Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Investment Earnings at 7.00%	Projected Ending Plan Net Position
	(a)	(b)	(c)	(d)	(e)=(a)+(b)-(c)+(d)
51	\$ 7,095,959	\$ -	\$ 1,740,647	\$ 436,825	\$ 5,792,137
52	5,792,137	-	1,465,276	355,032	4,681,894
53	4,681,894	-	1,221,471	285,704	3,746,127
54	3,746,127	-	1,007,851	227,551	2,965,827
55	2,965,827	-	822,708	179,300	2,322,419
56	2,322,419	-	664,105	139,719	1,798,033
57	1,798,033	-	529,916	107,629	1,375,746
58	1,375,746	-	417,859	81,924	1,039,811
59	1,039,811	-	325,497	61,587	775,902
60	775,902	-	250,335	45,700	571,267
61	571,267	-	189,993	33,451	414,725
62	414,725	-	142,233	24,137	296,628
63	296,628	-	104,965	17,152	208,816
64	208,816	-	76,309	11,991	144,498
65	144,498	-	54,616	8,236	98,117
66	98,117	-	38,276	5,551	65,392
67	65,392	-	26,258	3,674	42,808
68	42,808	-	17,748	2,386	27,445
69	27,445	-	11,753	1,517	17,210
70	17,210	-	7,611	943	10,541
71	10,541	-	4,813	572	6,300
72	6,300	-	2,969	339	3,670
73	3,670	-	1,782	196	2,084
74	2,084	-	1,039	110	1,154
75	1,154	-	591	60	623
76	623	-	329	32	327
77	327	-	177	17	167
78	167	-	92	9	83
79	83	-	47	4	40
80	40	-	24	2	19
81	19	-	11	1	8
82	8	-	5	0	3
83	3	-	2	0	1
84	1	-	1	0	0
85	0	-	0	0	0
86	0	-	0	0	0
87	0	-	0	0	-
88	-	-	-	-	-
89	-	-	-	-	-
90	-	-	-	-	-
91	-	-	-	-	-
92	-	-	-	-	-
93	-	-	-	-	-
94	-	-	-	-	-
95	-	-	-	-	-
96	-	-	-	-	-
97	-	-	-	-	-
98	-	-	-	-	-
99	-	-	-	-	-
100	-	-	-	-	-

The projections in this report are strictly for the purpose of determining the GASB single discount rate and are different from a funding projection for the ongoing plan.

# Single Discount Rate Development

## Present Values of Projected Benefits

Year	Projected Beginning Plan Net Position	Projected Benefit Payments	Funded Portion of Projected Benefit Payments	Unfunded Portion of Projected Benefit Payments	Present Value of Funded Benefit Payments using Expected Return Rate (v)	Present Value of Unfunded Benefit Payments using Municipal Bond Rate (vf)	Present Value of All Benefit Payments using Single Discount Rate (SDR)
(a)	(b)	(c)	(d)	(e)	(f)=(d)*v^((a)-.5)	(g)=(e)*vf^((a)-.5)	(h)=(c)/(1+sdrr)^(a-.5)
1	\$ 178,941,996	\$ 12,176,023	\$ 12,176,023	\$ -	\$ 11,771,005	\$ -	\$ 11,771,005
2	182,397,951	12,638,398	12,638,398	-	11,418,692	-	11,418,692
3	185,714,361	13,148,376	13,148,376	-	11,102,293	-	11,102,293
4	188,710,590	13,738,391	13,738,391	-	10,841,582	-	10,841,582
5	191,340,757	14,402,217	14,402,217	-	10,621,904	-	10,621,904
6	193,472,721	15,015,513	15,015,513	-	10,349,739	-	10,349,739
7	194,986,937	15,653,571	15,653,571	-	10,083,676	-	10,083,676
8	195,806,148	16,463,862	16,463,862	-	9,911,819	-	9,911,819
9	195,702,179	16,897,549	16,897,549	-	9,507,396	-	9,507,396
10	195,012,426	17,392,847	17,392,847	-	9,145,865	-	9,145,865
11	193,647,909	17,631,247	17,631,247	-	8,664,697	-	8,664,697
12	191,836,731	18,018,429	18,018,429	-	8,275,676	-	8,275,676
13	189,395,585	18,268,000	18,268,000	-	7,841,403	-	7,841,403
14	186,429,336	18,400,042	18,400,042	-	7,381,384	-	7,381,384
15	183,038,460	18,449,066	18,449,066	-	6,916,870	-	6,916,870
16	179,297,257	18,452,172	18,452,172	-	6,465,453	-	6,465,453
17	175,232,434	18,373,848	18,373,848	-	6,016,831	-	6,016,831
18	170,906,453	18,165,234	18,165,234	-	5,559,361	-	5,559,361
19	166,447,495	17,951,802	17,951,802	-	5,134,618	-	5,134,618
20	161,866,471	17,668,380	17,668,380	-	4,722,947	-	4,722,947
21	157,238,304	17,335,588	17,335,588	-	4,330,830	-	4,330,830
22	150,362,535	16,949,309	16,949,309	-	3,957,317	-	3,957,317
23	143,392,811	16,529,183	16,529,183	-	3,606,753	-	3,606,753
24	136,360,459	16,080,132	16,080,132	-	3,279,222	-	3,279,222
25	129,291,230	15,593,486	15,593,486	-	2,971,944	-	2,971,944
26	122,223,388	15,071,086	15,071,086	-	2,684,468	-	2,684,468
27	115,197,261	14,522,164	14,522,164	-	2,417,471	-	2,417,471
28	108,244,581	13,953,478	13,953,478	-	2,170,844	-	2,170,844
29	101,391,585	13,367,895	13,367,895	-	1,943,683	-	1,943,683
30	94,663,356	12,770,010	12,770,010	-	1,735,281	-	1,735,281
31	88,081,707	12,163,012	12,163,012	-	1,544,671	-	1,544,671
32	81,666,591	11,549,109	11,549,109	-	1,370,754	-	1,370,754
33	75,437,084	10,931,696	10,931,696	-	1,212,592	-	1,212,592
34	69,409,942	10,312,731	10,312,731	-	1,069,097	-	1,069,097
35	63,601,067	9,694,635	9,694,635	-	939,271	-	939,271
36	58,024,933	9,080,225	9,080,225	-	822,191	-	822,191
37	52,694,020	8,471,597	8,471,597	-	716,898	-	716,898
38	47,619,513	7,870,747	7,870,747	-	622,478	-	622,478
39	42,811,316	7,279,587	7,279,587	-	538,061	-	538,061
40	38,278,045	6,700,093	6,700,093	-	462,830	-	462,830
41	34,026,878	6,134,331	6,134,331	-	396,026	-	396,026
42	30,063,359	5,584,594	5,584,594	-	336,950	-	336,950
43	26,391,044	5,053,391	5,053,391	-	284,952	-	284,952
44	23,011,149	4,543,248	4,543,248	-	239,426	-	239,426
45	19,922,357	4,056,720	4,056,720	-	199,801	-	199,801
46	17,120,619	3,596,163	3,596,163	-	165,530	-	165,530
47	14,599,162	3,163,546	3,163,546	-	136,091	-	136,091
48	12,348,705	2,760,527	2,760,527	-	110,985	-	110,985
49	10,357,604	2,388,486	2,388,486	-	89,745	-	89,745
50	8,611,967	2,048,365	2,048,365	-	71,930	-	71,930

The projections in this report are strictly for the purpose of determining the GASB single discount rate and are different from a funding projection for the ongoing plan.



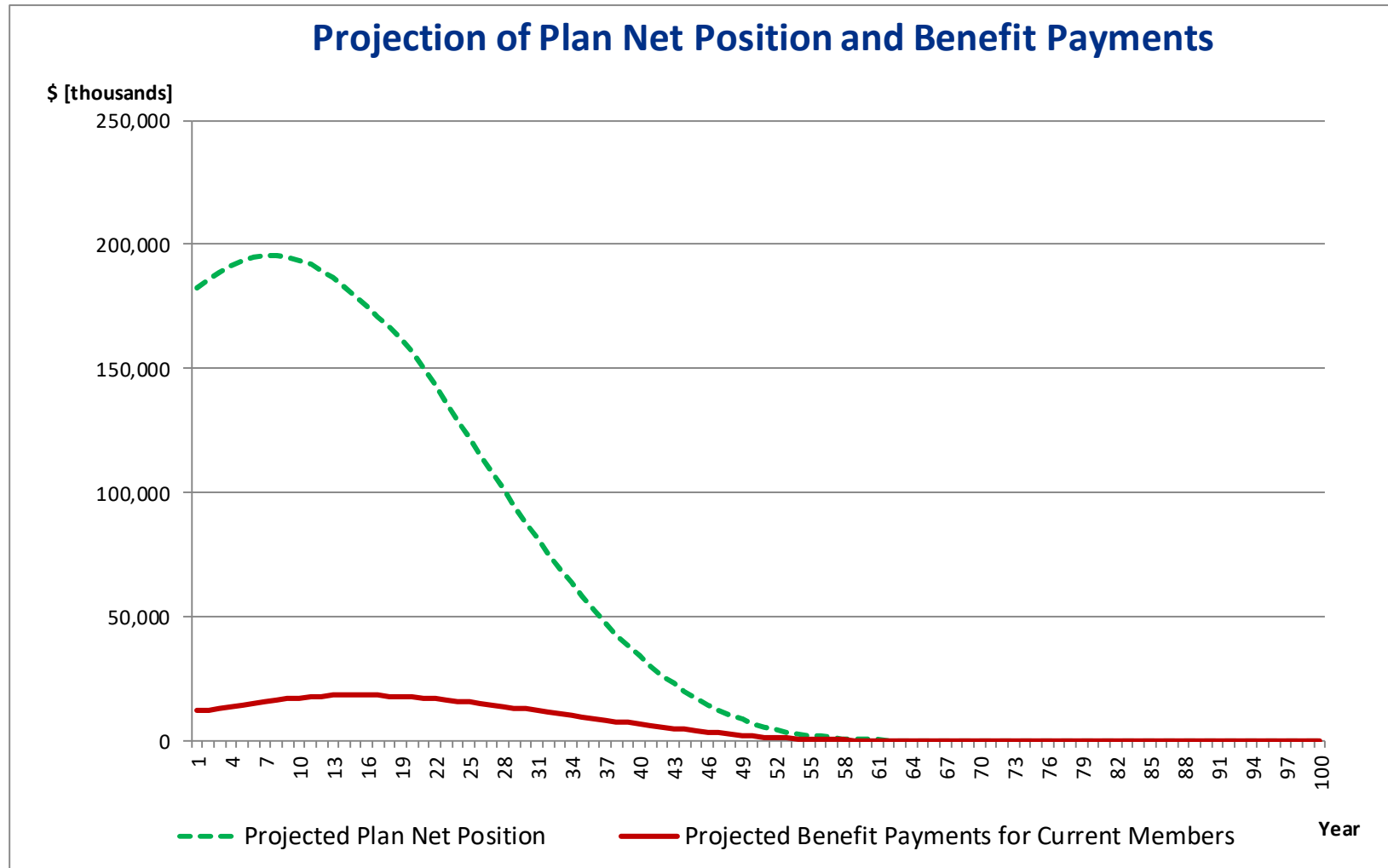
# Single Discount Rate Development

## Present Values of Projected Benefits (Concluded)

Year	Projected Beginning Plan Net Position	Projected Benefit Payments	Funded Portion of Projected Benefit Payments	Unfunded Portion of Projected Benefit Payments	Present Value of Funded Benefit Payments using Expected Return Rate (v)	Present Value of Unfunded Benefit Payments using Municipal Bond Rate (vf)	Present Value of All Benefit Payments using Single Discount Rate (SDR)
(a)	(b)	(c)	(d)	(e)	(f)=(d)*v^((a)-.5)	(g)=(e)*vf ^((a)-.5)	(h)=(c)/(1+s dr)^(a-.5)
51	\$ 7,095,959	\$ 1,740,647	\$ 1,740,647	\$ -	\$ 57,125	\$ -	\$ 57,125
52	5,792,137	1,465,276	1,465,276	-	44,942	-	44,942
53	4,681,894	1,221,471	1,221,471	-	35,013	-	35,013
54	3,746,127	1,007,851	1,007,851	-	27,000	-	27,000
55	2,965,827	822,708	822,708	-	20,598	-	20,598
56	2,322,419	664,105	664,105	-	15,539	-	15,539
57	1,798,033	529,916	529,916	-	11,588	-	11,588
58	1,375,746	417,859	417,859	-	8,540	-	8,540
59	1,039,811	325,497	325,497	-	6,217	-	6,217
60	775,902	250,335	250,335	-	4,469	-	4,469
61	571,267	189,993	189,993	-	3,170	-	3,170
62	414,725	142,233	142,233	-	2,218	-	2,218
63	296,628	104,965	104,965	-	1,530	-	1,530
64	208,816	76,309	76,309	-	1,039	-	1,039
65	144,498	54,616	54,616	-	695	-	695
66	98,117	38,276	38,276	-	455	-	455
67	65,392	26,258	26,258	-	292	-	292
68	42,808	17,748	17,748	-	184	-	184
69	27,445	11,753	11,753	-	114	-	114
70	17,210	7,611	7,611	-	69	-	69
71	10,541	4,813	4,813	-	41	-	41
72	6,300	2,969	2,969	-	24	-	24
73	3,670	1,782	1,782	-	13	-	13
74	2,084	1,039	1,039	-	7	-	7
75	1,154	591	591	-	4	-	4
76	623	329	329	-	2	-	2
77	327	177	177	-	1	-	1
78	167	92	92	-	0	-	0
79	83	47	47	-	0	-	0
80	40	24	24	-	0	-	0
81	19	11	11	-	0	-	0
82	8	5	5	-	0	-	0
83	3	2	2	-	0	-	0
84	1	1	1	-	0	-	0
85	0	0	0	-	0	-	0
86	0	0	0	-	0	-	0
87	0	0	0	0	0	0	0
88	-	-	-	-	-	-	-
89	-	-	-	-	-	-	-
90	-	-	-	-	-	-	-
91	-	-	-	-	-	-	-
92	-	-	-	-	-	-	-
93	-	-	-	-	-	-	-
94	-	-	-	-	-	-	-
95	-	-	-	-	-	-	-
96	-	-	-	-	-	-	-
97	-	-	-	-	-	-	-
98	-	-	-	-	-	-	-
99	-	-	-	-	-	-	-
100	-	-	-	-	-	-	-
<b>Totals</b>					\$ 212,402,193	\$ -	\$ 212,402,193

The projections in this report are strictly for the purpose of determining the GASB single discount rate and are different from a funding projection for the ongoing plan.





The projections in this report are strictly for the purpose of determining the GASB single discount rate and are different from a funding projection for the ongoing plan.

## SECTION I

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### MICHIGAN PUBLIC ACT 202



## State Reporting Assumptions as of June 30, 2020

The Protecting Local Government Retirement and Benefits Act, Public Act 202 of 2017, was put into law effective December 20, 2017. One outcome of the law is the requirement for the local unit of government to provide select reporting disclosures to the State. Section 5(1) of the Act provides the State treasurer with the authority to annually establish uniform actuarial assumptions for purposes of developing the requisite disclosures. Below you will find information which may be used to assist the local unit of government with required reporting.

Uniform Assumptions, as applicable to the measurement and the required disclosures under uniform assumptions are denoted below. Additional discussion of the PA 202 and uniform assumptions may be found on the State website in the uniform assumption memo dated October 21, 2019.

Uniform Assumption	PA 202	Valuation Assumption Used	Uniform Assumption Used
Investment Rate of Return	Maximum of 7.00%	7.25%	<b>7.00%</b>
Salary Increase	Minimum of 3.50% or based on experience study within last 5 years	3.50% + Merit and longevity (based on experience study issued December 7, 2015)	<b>3.25% + Merit and longevity (based on experience study issued March 9, 2020)</b>
Mortality	Version of Pub-2010 or based on experience study within last 5 years	A version of RP-2014 (based on experience study issued December 7, 2015)	<b>A version of Pub-2010 (based on experience study issued March 9, 2020)</b>
Amortization of the Unfunded Accrued Actuarial Liability:			
Period	Maximum Period of 19 Years	20 years	<b>19 years</b>
Method	Closed Plans: Level Dollar Open Plans: Level Percent of Payroll of Level Dollar	Level Dollar	<b>Level Dollar</b>
Type	Closed	Closed	<b>Closed</b>

## State Reporting as of June 30, 2020

The following information has been prepared to provide some of the information necessary to complete the pension reporting requirements for the State of Michigan's Local Government Retirement System Annual Report (Form No. 5572). Additional resources are available on the State website.

Line	Descriptive Information	
<b>3</b>	<b>Financial Information<sup>1</sup></b>	
4	Enter retirement pension system's assets (system fiduciary net position ending)	178,941,996
5	Enter retirement pension system's liabilities (total pension liability ending)	201,632,863
6	Funded ratio	Auto <sup>6</sup>
7	Actuarially Determined Contribution (ADC) <sup>7</sup>	3,036,199
8	Governmental Fund Revenues	TBD <sup>5</sup>
9	All systems combined ADC/Governmental fund revenues	Auto <sup>6</sup>
<b>10</b>	<b>Membership<sup>2</sup></b>	
11	Indicate number of active members	136
12	Indicate number of inactive members	58
13	Indicate number of retirees and beneficiaries	411
<b>14</b>	<b>Investment Performance</b>	
15	Enter actual rate of return - prior 1-year period	TBD <sup>5</sup>
16	Enter actual rate of return - prior 5-year period	TBD <sup>5</sup>
17	Enter actual rate of return - prior 10-year period	TBD <sup>5</sup>
<b>18</b>	<b>Actuarial Assumptions<sup>2</sup></b>	
19	Actuarial assumed rate of investment return <sup>3</sup>	7.25%
20	Amortization method utilized for funding the system's unfunded actuarial accrued liability, if any	Level Dollar
21	Amortization period utilized for funding the system's unfunded actuarial accrued liability, if any	20
22	Is each division within the system closed to new employees?	Yes
<b>23</b>	<b>Uniform Assumptions<sup>4</sup></b>	
24	Enter retirement pension system's actuarial value of assets using uniform assumptions <sup>7</sup>	176,751,796
25	Enter retirement pension system's actuarial accrued liabilities using uniform assumptions <sup>7</sup>	197,882,145
26	Funded ratio using uniform assumptions	Auto <sup>6</sup>
27	Actuarially Determined Contribution (ADC) using uniform assumptions <sup>8</sup>	3,457,912
28	All systems combined ADC/Governmental fund revenues	Auto <sup>6</sup>
<b>29</b>	<b>Pension Trigger Summary</b>	
30	Does this system trigger "underfunded status" as defined by PA 202 of 2017?	Auto <sup>6</sup>

1. Information on lines 4 and 5 can be found on page 14 in this GASB 67/68 valuation report.

2. Information on lines 11-13 and lines 19-22 can be found in the Annual Actuarial valuation report for the System dated December 3, 2019.

3. Net of administrative and investment expenses.

4. Information on lines 24-28 is based on assumption listed on the prior page.

5. To be supplied by the City of Wyoming.

6. Automatically calculated by State of Michigan Form 5572.

7. As of the June 30, 2019 actuarial valuation date.

8. Calculated as of June 30, 2019 applicable for fiscal year ending June 30, 2020.

## SECTION J

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### GLOSSARY OF TERMS

# Glossary of Terms

<b><i>Accrued Service</i></b>	Service credited under the system which was rendered before the date of the actuarial valuation.
<b><i>Actuarial Accrued Liability (AAL)</i></b>	The AAL is the difference between the actuarial present value of all benefits and the actuarial value of future normal costs. The definition comes from the fundamental equation of funding which states that the present value of all benefits is the sum of the Actuarial Accrued Liability and the present value of future normal costs. The AAL may also be referred to as "accrued liability" or "actuarial liability."
<b><i>Actuarial Assumptions</i></b>	These assumptions are estimates of future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and compensation increases. Actuarial assumptions are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (compensation increases, payroll growth, inflation and investment return) consist of an underlying real rate of return plus an assumption for a long-term average rate of inflation.
<b><i>Actuarial Cost Method</i></b>	A mathematical budgeting procedure for allocating the dollar amount of the actuarial present value of the pension trust benefits between future normal cost and actuarial accrued liability. The Actuarial Cost Method may also be referred to as the actuarial funding method.
<b><i>Actuarial Equivalent</i></b>	A single amount or series of amounts of equal actuarial value to another single amount or series of amounts, computed on the basis of appropriate actuarial assumptions.
<b><i>Actuarial Gain (Loss)</i></b>	The difference in liabilities between actual experience and expected experience during the period between two actuarial valuations is the gain (loss) on the accrued liabilities.
<b><i>Actuarial Present Value (APV)</i></b>	The amount of funds currently required to provide a payment or series of payments in the future. The present value is determined by discounting future payments at predetermined rates of interest and probabilities of payment.
<b><i>Actuarial Valuation</i></b>	The actuarial valuation report determines, as of the actuarial valuation date, the service cost, Total Pension Liability, and related actuarial present value of projected benefit payments for pensions.
<b><i>Actuarial Valuation Date</i></b>	The date as of which an actuarial valuation is performed.
<b><i>Actuarially Determined Contribution (ADC) or Annual Required Contribution (ARC)</i></b>	A calculated contribution into a defined benefit pension plan for the reporting period, most often determined based on the funding policy of the plan. Typically the Actuarially Determined Contribution has a normal cost payment and an amortization payment.

# Glossary of Terms

<b><i>Amortization Method</i></b>	The method used to determine the periodic amortization payment may be a level dollar amount, or a level percent of pay amount. The period will typically be expressed in years, and the method will either be “open” (meaning, reset each year) or “closed” (the number of years remaining will decline each year).
<b><i>Amortization Payment</i></b>	The amortization payment is the periodic payment required to pay off an interest-discounted amount with payments of interest and principal.
<b><i>Cost-of-Living Adjustments</i></b>	Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.
<b><i>Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (cost-sharing pension plan)</i></b>	A multiple-employer defined benefit pension plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.
<b><i>Covered-Employee Payroll</i></b>	The payroll of covered employees, which is typically only the pensionable pay and does not include pay above any pay cap.
<b><i>Deferred Retirement Option Program (DROP)</i></b>	A program that permits a plan member to elect a calculation of benefit payments based on service credits and salary, as applicable, as of the DROP entry date. The plan member continues to provide service to the employer and is paid for the service by the employer after the DROP entry date; however, the pensions that would have been paid to the plan member are credited to an individual member account within the defined benefit pension plan until the end of the DROP period. Other variations for DROP exist and will be more fully detailed in the plan provision section of the valuation report.
<b><i>Deferred Inflows and Outflows</i></b>	The deferred inflows and outflows of pension resources are amounts used under GASB Statement No. 68 in developing the annual pension expense. Deferred inflows and outflows arise with differences between expected and actual experiences; changes of assumptions. The portion of these amounts not included in pension expense should be included in the deferred inflows or outflows of resources.
<b><i>Discount Rate</i></b>	<p>For GASB purposes, the discount rate is the single rate of return that results in the present value of all projected benefit payments to be equal to the sum of the funded and unfunded projected benefit payments, specifically:</p> <ol style="list-style-type: none"><li>1. The benefit payments to be made while the pension plans’ fiduciary net position is projected to be greater than the benefit payments that are projected to be made in the period; and</li><li>2. The present value of the benefit payments not in (1) above, discounted using the municipal bond rate.</li></ol>

## Glossary of Terms

<b><i>Entry Age Actuarial Cost Method (EAN)</i></b>	The EAN is a funding method for allocating the costs of the plan between the normal cost and the accrued liability. The actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis (either level dollar or level percent of pay) over the earnings or service of the individual between entry age and assumed exit age(s). The portion of the actuarial present value allocated to a valuation year is the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is the Actuarial Accrued Liability. The sum of the accrued liability plus the present value of all future normal costs is the present value of all benefits.
<b><i>Fiduciary Net Position</i></b>	The fiduciary net position is the value of the assets of the trust.
<b><i>GASB</i></b>	The Governmental Accounting Standards Board is an organization that exists in order to promulgate accounting standards for governmental entities.
<b><i>Long-Term Expected Rate of Return</i></b>	The long-term rate of return is the expected return to be earned over the entire trust portfolio based on the asset allocation of the portfolio.
<b><i>Money-Weighted Rate of Return</i></b>	The money-weighted rate of return is a method of calculating the returns that adjusts for the changing amounts actually invested. For purposes of GASB Statement No. 67, money-weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense.
<b><i>Multiple-Employer Defined Benefit Pension Plan</i></b>	A multiple-employer plan is a defined benefit pension plan that is used to provide pensions to the employees of more than one employer.
<b><i>Municipal Bond Rate</i></b>	The Municipal Bond Rate is the discount rate to be used for those benefit payments that occur after the assets of the trust have been depleted.
<b><i>Net Pension Liability (NPL)</i></b>	The NPL is the liability of employers and non-employer contribution entities to plan members for benefits provided through a defined benefit pension plan.
<b><i>Non-Employer Contribution Entities</i></b>	Non-employer contribution entities are entities that make contributions to a pension plan that is used to provide pensions to the employees of other entities. For purposes of the GASB Accounting statement plan members are not considered non-employer contribution entities.
<b><i>Normal Cost</i></b>	The actuarial present value of the pension trust benefits allocated to the current year by the actuarial cost method.

## Glossary of Terms

<b><i>Other Postemployment Benefits (OPEB)</i></b>	All postemployment benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are provided separately from a pension plan, as well as postemployment health care benefits regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits.
<b><i>Real Rate of Return</i></b>	The real rate of return is the rate of return on an investment after adjustment to eliminate inflation.
<b><i>Service Cost</i></b>	The service cost is the portion of the actuarial present value of projected benefit payments that is attributed to a valuation year.
<b><i>Total Pension Expense</i></b>	<p>The total pension expense is the sum of the following items that are recognized at the end of the employer's fiscal year:</p> <ol style="list-style-type: none"><li>1. Service Cost</li><li>2. Interest on the Total Pension Liability</li><li>3. Current-Period Benefit Changes</li><li>4. Employee Contributions (made negative for addition here)</li><li>5. Projected Earnings on Plan Investments (made negative for addition here)</li><li>6. Pension Plan Administrative Expense</li><li>7. Other Changes in Plan Fiduciary Net Position</li><li>8. Recognition of Outflow (Inflow) of Resources due to Liabilities</li><li>9. Recognition of Outflow (Inflow) of Resources due to Assets</li></ol>
<b><i>Total Pension Liability (TPL)</i></b>	The TPL is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service.
<b><i>Unfunded Actuarial Accrued Liability (UAAL)</i></b>	The UAAL is the difference between actuarial accrued liability and valuation assets.
<b><i>Valuation Assets</i></b>	The valuation assets are the assets used in determining the unfunded liability of the plan. For purposes of the GASB Statement No. 67, the valuation asset is equal to the market value of assets.



August 24, 2020

Ms. Kate Balfoort, Finance Director  
City of Wyoming Employees Retirement System  
1155 28th Street, S. W., City Hall  
Wyoming, Michigan 49509

Dear Kate:

Please find enclosed nine copies of the GASB Statement Nos. 67 and 68 Plan Reporting and Accounting Schedules report of the City of Wyoming Employees Retirement System.

We will be happy to meet with the Board to discuss the results of this report.

Sincerely,

A handwritten signature in black ink that reads "James D. Anderson". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James D. Anderson, FSA, EA, FCA, MAAA

JDA:dj  
Enclosures

cc: Rehmann Robson  
Attn: Peter Woldman (+1 report copy)